Recommendations of CGA's on new funded system of pension

3133. SHRI BHAGATRAM MANHAR:
SHRI RAJU PARMAR:

Will the Minister of FINANCE be pleased to state:

(a) whether Government are aware of the news-item captioned, "New Pension Scheme in offing", which appeared in the Times of India, New Delhi on 26th June, 2001;

(b) if so, what are the details of recommendations submitted by Comptroller General of Accounts (CGA) to the Finance Ministry on "new funded" system of pension; and

(c) what is Government's reaction to the various recommendations of CGA and by when Government propose to commence the new pension scheme suggested by CGA?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) and (b) Yes, Sir. The Working Group on "Assessment of Government of India's Pensionary Liability" headed by Controller General of Accounts (CGA), has *inter-alia*, recommended a transition to a funded system of pension for new Government employees.

(c) Pursuant to Government's announcement in the Budget for 2001-2002 that the defined benefit Civil Services Pension System would be replaced by a new pension programme based on defined contributions, the Department of Pensions and Pensioners' Welfare has constituted a High Level Expert Group to prepare a road map for such a transition. A copy of the Working Group report has been forwarded to the said high Level Expert Group. As announced in the Budget for 2001-2002, it is envisaged that those who enter Central Government services after October 01, 2001, would receive pension through a new pension programme based on defined contributions. Exact parameters of the new sytem are yet to be worked out.